

Capital Expenditures by Majority-Owned Foreign Affiliates of U.S. Companies, 1983

MAJORITY-OWNED foreign affiliates of U.S. companies plan capital expenditures of \$41.8 billion in 1983, almost unchanged from 1982. Last year, spending declined 5 percent, following a 3-percent increase in 1981 (table 1 and chart 5).¹

Largely as a result of depressed economic conditions worldwide, corporate illiquidity, and high interest rates, spending appears to have leveled off in 1981-83, after record increases in 1979 and 1980. The increases in 1979 and 1980 were largely attributable to manufacturing affiliates, particularly transportation equipment manufacturers that were constructing new facilities (see later discussion). In 1980, spending was also boosted by petroleum affiliates, partly because of expectations of continued high returns on investment following the near-doubling of crude oil prices in 1979.

The latest estimate for 1982, based on the BEA survey taken in December 1982, is much lower than the estimate based on the survey taken 6 months earlier, which indicated expenditures would increase 6 percent. The latest estimate for 1983 is also

NOTE.—Patricia E. DiVenuti and Edward L. Simons assisted in preparing the estimates. Smith W. Allnutt III designed the computer programs for data retrieval and analysis.

1. Capital expenditure estimates are for majority-owned nonbank foreign affiliates of nonbank U.S. parents. (An affiliate is majority owned when the combined ownership of all U.S. parents exceeds 50 percent.) Capital expenditures are expenditures that are made to acquire, add to, or improve property, plant, and equipment, and that are charged to capital accounts. They are on a gross basis; sales and other dispositions of fixed assets are not netted against them. Capital expenditures are reported to BEA in current dollars; they are not adjusted for price changes in host countries or for changes in the value of foreign currencies, because the data needed for these adjustments are unavailable.

lower than the earlier one; the year-to-year percentage change is the same, however, because it is calculated from the lower 1982 base.

By area, affiliates in developed countries plan a 1-percent increase in spending, to \$29.1 billion, compared with an 8-percent decline in 1982. In developing countries, a planned 4-percent increase, to \$11.8 billion, follows a 2-percent increase. Affiliates in "international"—those that have operations spanning more than one country and that are engaged in petroleum shipping, other water transportation, petroleum trading, or operating oil and gas drilling equipment that is moved from country to country during the year—plan to cut spending nearly two-fifths, to \$0.9 billion, after an 8-percent increase.

Petroleum

This year's 3-percent reduction, to \$17.2 billion, in planned spending by petroleum affiliates reflects the worldwide weakening of petroleum markets, which has partly resulted from depressed economic conditions and continued energy conservation and substitution. Also, some U.S. petroleum companies may be shifting some spending from abroad to the United States, partly in response to decontrol of domestic oil prices and the granting of exploration and production rights in previously restricted areas.

In each successive survey of 1982 or 1983 spending plans, estimates have been revised downward (table 2). For a given year, four estimates of planned expenditures and one estimate of actual expenditures are made, based on data reported in five successive semiannual surveys. The

CHART 5
Capital Expenditures by Majority-Owned Foreign Affiliates of U.S. Companies

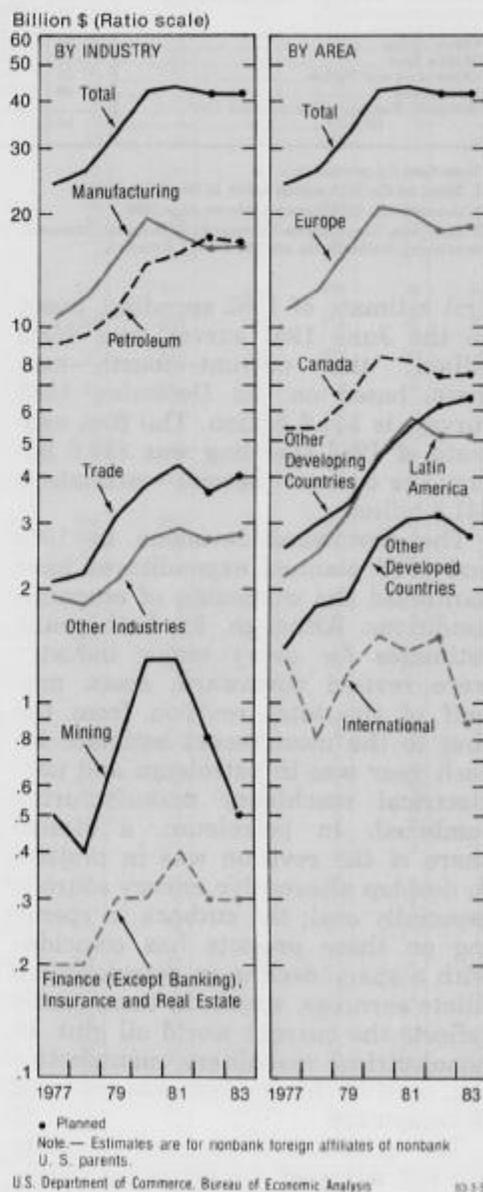


Table 1.—Capital Expenditures by Majority-Owned Foreign Affiliates of U.S. Companies, 1977-83

	Percent change from preceding year								Billions of dollars								
	Actual expenditures				Latest plans ¹		Earlier plans ²		Actual expenditures				Latest plans ¹		Earlier plans ²		
	1978	1979	1980	1981 ³	1982	1983	1982	1983	1977	1978	1979	1980	1981 ³	1982	1983	1982	1983
Total	9	25	30	3	-6	(*)	6	(*)	24.1	29.1	32.6	42.4	43.7	41.6	41.8	46.4	46.6
By industry																	
Mining	-14	51	30	2	-41	-38	-25	-9	.6	.1	.7	1.3	1.3	.8	.5	1.0	.9
Petroleum	7	16	34	7	-13	-3	21	-3	9.3	9.5	11.0	14.8	15.3	17.7	17.2	19.1	18.6
Manufacturing	14	23	27	-2	-13	-3	(*)	2	14.5	12.0	15.4	19.5	19.2	16.6	17.2	19.1	19.5
Food and kindred products	17	25	28	-7	-6	13	7	1	.8	.9	1.2	1.5	1.4	1.3	1.5	1.5	1.5
Chemicals and allied products	-3	38	14	(*)	-3	4	9	2	2.0	1.9	2.6	3.0	3.0	2.9	3.0	3.2	3.3
Primary and fabricated metals	7	11	31	-9	7	16	37	9	.6	.6	.6	.9	.9	.3	.5	1.0	1.1
Machinery, except electrical	22	31	18	-9	-19	7	-1	10	3.0	3.8	4.7	6.6	5.1	4.2	4.4	5.1	5.6
Electric and electronic equipment	23	35	34	-10	(*)	7	7	7	.7	.9	1.1	1.4	1.2	1.2	1.3	1.3	1.4
Transportation equipment	18	54	49	18	-27	-19	-22	-14	1.6	1.9	3.9	4.4	3.2	3.3	3.4	4.1	3.5
Other manufacturing	16	8	39	-12	-4	5	13	6	1.8	2.1	2.3	2.8	2.5	2.4	2.5	2.8	3.0
Trade	9	37	25	13	-16	11	-2	7	2.1	2.2	2.3	2.3	2.3	2.6	2.6	4.0	4.2
Finance (except banking), insurance, and real estate	-10	49	7	12	-12	-12	-17	2	.2	.2	.3	.3	.4	.3	.3	.3	.3
Other industries	-6	22	28	5	-10	3	-7	3	1.9	1.8	2.1	2.7	2.9	2.6	2.7	2.7	2.8
By area																	
Developed countries	10	25	29	-2	-8	1	4	2	18.0	19.8	24.8	31.9	31.8	28.2	28.1	32.6	33.1
Canada	1	20	29	-9	-18	1	2	7	5.4	5.4	6.5	8.3	8.1	7.5	7.4	8.3	8.6
Europe	13	30	27	-4	-8	3	4	4	11.2	12.6	16.4	20.8	20.1	18.4	18.9	20.8	20.6
European Communities (EC) ⁴	13	30	27	-9	-9	6	4	4	9.8	10.9	14.0	17.8	16.2	14.7	15.6	16.9	16.9
France	1	26	23	-13	-20	29	(*)	1	1.4	1.4	1.9	2.2	1.9	1.5	2.0	1.9	2.1
Germany	34	28	17	-15	-9	7	1	1	2.8	2.6	3.4	3.9	3.4	3.0	3.2	3.4	3.7
United Kingdom	20	27	33	-6	-7	-2	4	4	3.9	4.7	5.0	5.0	7.5	6.5	6.8	7.7	7.3
Other	-7	31	28	-8	-6	12	(*)	2	2.4	2.2	2.9	2.7	2.4	2.3	2.6	2.8	2.8
Other	9	42	36	30	-8	-11	1	1	1.5	1.7	2.4	2.0	3.9	3.7	3.3	4.0	3.6
Japan	32	15	42	-11	7	22	11	11	.6	.6	.9	.9	.8	.8	.8	1.0	1.1
Australia, New Zealand, and South Africa	50	7	46	33	(*)	-3	19	3	1.3	1.2	1.3	1.8	2.2	2.2	2.0	2.5	2.5
Developing countries	16	28	38	23	2	4	12	-1	4.9	5.5	6.6	9.0	11.1	11.3	11.3	12.5	13.4
Latin America	17	27	42	24	-5	-1	7	-6	2.2	2.6	3.2	4.6	6.7	6.2	6.2	6.1	6.7
Other Africa	14	12	42	25	17	-9	19	(*)	.8	.9	1.3	1.6	1.7	1.9	1.7	1.9	1.9
Middle East	-10	-27	-18	-24	55	-6	25	-27	1.2	1.1	.8	.7	.7	.6	.6	.7	.6
Other Asia and Pacific	66	62	47	33	21	16	13	12	.7	1.1	1.7	2.5	3.3	3.5	4.2	3.6	4.3
International	-38	51	22	-5	3	-29	-3	-28	1.5	.5	1.2	1.5	1.4	1.6	.9	1.3	1.1
Addenda: European Communities (EC) ⁴																	
OPEC ⁵	10	-2	13	6	30	8	30	6	1.7	1.9	1.9	2.1	2.2	2.9	3.2	2.9	3.1

*Less than 0.5 percent (±).

1. Based on the BEA survey taken in December 1982.

2. Based on the BEA survey taken in June 1983.

3. European Communities (EC) consists of Belgium, Denmark, France, Germany, Ireland, Italy, Luxembourg, Netherlands, and the United Kingdom.

4. European Communities (EC) consists of European Communities (EC) and Greece.

5. OPEC consists of Algeria, Ecuador, Gabon, Indonesia, Iraq, Iran, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, Venezuela, and the United Arab Emirates.

NOTE.—Estimates are for nonbank foreign affiliates of nonbank U.S. parents.

first estimate of 1982 spending, based on the June 1981 survey, was \$53.8 billion; the current—fourth—estimate, based on the December 1982 survey, is \$41.6 billion. The first estimate of 1983 spending was \$46.6 billion; the current—second—estimate is \$41.8 billion.

The downward revisions in 1982 and 1983 planned expenditures have paralleled the worsening of economic conditions. Although, for both years, estimates for every major industry were revised downward, about one-half of the total revision from the first to the most recent estimate for each year was in petroleum and non-electrical machinery manufacturing combined. In petroleum, a sizable share of the revision was in projects to develop alternative energy sources, especially coal; the cutback in spending on these projects has coincided with a sharp decline in petroleum affiliate earnings, which, in turn, partly reflects the current world oil glut. In nonelectrical machinery manufacturing, most of the revision was centered in computers.

The estimates of planned spending are not adjusted for reporting bias—

that is, for the systematic overpredicting or underpredicting of actual expenditures by reporters. Although historical data suggest that respondents tend to overestimate a given year's spending in the early surveys relative to actual spending for the year, such bias cannot be separated from changes due to other causes, particularly changing economic and political conditions.² The reductions in 1982 spending in the successive surveys far exceeds what could be attributed to bias alone.

Manufacturing affiliates plan to increase spending 3 percent this year, to \$17.2 billion, after a 13-percent decline last year. These changes are largely offset by spending of petroleum affiliates; petroleum affiliates plan to reduce spending 3 percent this year, to \$17.2 billion, following a 13-percent increase last year. Affiliates in all other industries combined plan to increase spending 2 percent, after an 18-percent decline.

2. The discontinuation of the bias adjustment is discussed in Jeffrey H. Lowe, "Capital Expenditures by Majority-Owned Foreign Affiliates of U.S. Companies, 1981 and 1982," SURVEY OF CURRENT BUSINESS 61 (October 1981): 67-68.

Table 2.—Revisions to Capital Expenditure Estimates, 1982-83

Date of BEA survey: ¹	Expenditure estimates for:		Percent change, 1981-82	Percent change, 1982-83
	1982	1983		
June 1981	53,295	n.a.	+6.4	n.a.
December 1981	50,682	n.a.	+11.4	n.a.
June 1982	49,375	46,578	+6.0	(*)
December 1982	41,636	41,912	-4.8	(*)
Addendum:				
Total percent change from first to most recent estimate	-21.9	-10.2		

*Less than 0.5 percent (±).

n.a. Not applicable.

1. Results of the June 1981, December 1981, and June 1982 surveys were published in the October 1981, March 1982, and September 1982 issues of the SURVEY OF CURRENT BUSINESS, respectively. Results of the December 1982 survey are presented in this article.

In developed countries, affiliates plan to reduce spending 2 percent, to \$10.5 billion, following a 9-percent increase in 1982 (tables 3-5). A 2-percent decline, to \$8.2 billion, is planned in Canada, largely as a result of an affiliate's withdrawal, in mid-1982, from participation in an oil sands project. A 20-percent increase last

(Text continued on p. 30)

Table 2.—Capital Expenditures by Majority-Owned Foreign Affiliates of U.S. Companies in 1981¹

(Millions of dollars)

	All industries	Mining	Petroleum	Manufacturing								Trade	Finance (except bank, insurance and real estate)	Other industries
				Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metals	Machinery, except electrical	Electric and electronic equipment	Transportation equipment	Other manufacturing			
All countries	43,748	1,290	10,761	10,154	1,407	2,968	684	5,346	1,210	5,177	2,432	4,291	375	2,857
Developed countries	31,289	970	9,654	15,426	890	2,304	538	4,528	890	4,229	1,977	3,280	285	1,462
Canada	3,145	129	2,790	3,890	290	655	201	549	159	1,211	725	458	95	680
Europe	26,084	5	5,592	10,273	898	1,475	351	3,433	587	2,715	1,844	2,319	166	724
European Communities (10)	16,298	4	5,254	3,656	654	1,327	337	3,286	496	(*)	(*)	1,534	84	855
Belgium	596	(*)	74	357	8	110	7	88	36	115	43	145	(*)	17
Denmark	945	0	103	19	12	1	1	(*)	(*)	(*)	118	(*)	(*)	5
France	1,922	0	(*)	1,816	50	165	27	821	85	53	145	310	1	(*)
Germany	3,854	1	870	2,663	95	248	122	950	139	835	251	250	2	80
Greece	48	1	8	23	4	14	(*)	(*)	1	1	2	18	1	(*)
Ireland	812	1	(*)	229	15	49	2	(*)	54	(*)	(*)	87	0	(*)
Italy	1,114	0	147	797	48	105	19	(*)	39	(*)	(*)	190	(*)	31
Luxembourg	21	0	1	19	0	5	0	8	15	56	(*)	(*)	(*)	(*)
Netherlands	1,115	0	285	688	102	315	23	245	13	3	78	115	1	60
United Kingdom	7,477	1	4,180	2,591	234	419	182	735	150	(*)	(*)	390	70	325
Other Europe	3,876	1	1,331	1,697	42	148	14	128	79	(*)	(*)	885	82	70
Austria	458	1	22	300	3	2	3	1	1	(*)	(*)	59	(*)	(*)
Norway	1,320	1	1,297	35	2	2	(*)	(*)	(*)	(*)	(*)	69	(*)	(*)
Portugal	38	0	(*)	40	5	5	1	2	2	2	5	40	0	(*)
Spain	1,248	0	28	948	82	105	5	(*)	(*)	(*)	(*)	252	0	30
Sweden	255	0	28	148	2	25	2	(*)	(*)	(*)	(*)	86	4	4
Switzerland	570	0	(*)	67	3	3	2	18	1	(*)	(*)	185	35	35
Turkey	16	1	1	2	(*)	1	0	0	0	(*)	(*)	14	0	(*)
Other	39	0	29	2	0	(*)	(*)	0	0	0	2	76	(*)	(*)
Japan	846	0	34	546	(*)	70	(*)	(*)	45	(*)	(*)	56	9	2
Australia, New Zealand, and South Africa	2,345	545	515	885	(*)	104	(*)	(*)	25	(*)	(*)	438	85	66
Australia	1,782	520	440	612	60	77	(*)	(*)	15	(*)	(*)	250	15	16
New Zealand	88	(*)	21	27	(*)	4	0	1	2	(*)	(*)	35	0	6
South Africa	374	25	54	147	30	23	12	19	6	25	31	143	0	5
Developing countries	11,128	320	5,897	3,739	517	643	214	459	410	948	615	990	89	354
Latin America	6,655	373	1,355	3,184	431	542	191	423	185	938	433	116	67	352
South America	2,946	283	981	2,104	250	480	140	308	77	545	230	479	25	99
Argentina	685	5	130	494	87	80	(*)	142	4	(*)	(*)	57	(*)	9
Brazil	1,640	2	85	1,825	106	247	88	250	60	865	186	175	(*)	(*)
Chile	227	(*)	34	12	1	5	2	0	(*)	(*)	4	43	(*)	(*)
Colombia	345	3	233	61	19	32	3	0	1	0	(*)	40	1	6
Ecuador	82	0	25	21	3	5	1	0	3	0	0	37	0	(*)
Peru	455	(*)	845	9	2	2	2	1	1	0	2	(*)	(*)	(*)
Venezuela	277	0	86	197	42	58	7	(*)	(*)	(*)	28	93	0	29
Other	145	(*)	70	65	27	(*)	(*)	(*)	(*)	1	(*)	(*)	(*)	1
Central America	1,483	18	40	994	150	109	51	24	105	350	145	235	25	150
Mexico	1,155	2	12	918	128	100	50	24	103	379	135	212	3	53
Panama	74	0	8	5	2	2	0	0	0	0	1	7	0	37
Other	160	15	25	45	25	8	1	0	2	(*)	9	14	1	58
Other Western Hemisphere	800	21	157	25	11	3	1	0	3	0	0	19	18	103
Bahamas	45	1	3	2	1	1	0	0	0	0	0	10	2	85
Bermuda	(*)	0	(*)	(*)	0	0	0	0	0	0	0	(*)	1	(*)
Netherlands Antilles	20	(*)	(*)	(*)	(*)	(*)	(*)	0	0	0	0	0	0	(*)
Trinidad and Tobago	115	0	(*)	6	(*)	1	0	0	0	0	0	6	0	2
Other	(*)	20	7	17	10	1	1	0	0	0	0	0	0	(*)
Other Africa	1,013	21	1,433	65	21	6	(*)	(*)	(*)	(*)	8	21	4	21
Sahara	550	4	538	4	(*)	1	(*)	(*)	(*)	(*)	2	2	0	0
Egypt	832	4	318	1	0	1	0	0	0	0	0	3	0	3
Libya	151	0	160	(*)	0	0	0	0	0	0	0	1	0	0
Other	77	0	70	3	(*)	(*)	(*)	0	0	0	0	0	0	1
Sub-Saharan	1,083	23	945	51	21	6	(*)	(*)	(*)	(*)	6	18	4	12
Liberia	19	(*)	(*)	1	0	0	0	0	0	0	0	5	0	(*)
Nigeria	263	(*)	245	7	1	4	0	0	0	0	2	2	0	2
Other	770	(*)	700	49	19	2	(*)	(*)	(*)	(*)	4	4	1	(*)
Middle East	630	1	394	29	5	5	(*)	35	(*)	4	(*)	37	3	60
Israel	88	0	6	18	4	4	(*)	3	(*)	0	(*)	(*)	0	(*)
OPEC	400	1	318	11	1	(*)	(*)	19	0	0	0	50	0	34
Other	38	0	82	(*)	(*)	(*)	0	0	0	0	0	0	0	(*)
Other Asia and Pacific	3,295	89	1,838	542	86	111	12	34	212	19	74	171	16	521
Hong Kong	539	0	(*)	26	(*)	8	3	3	5	0	7	44	0	(*)
India	17	0	0	17	0	5	0	4	8	0	5	(*)	0	(*)
Indonesia	1,060	19	1,010	17	1	2	3	(*)	2	0	0	0	0	(*)
Malaysia	457	(*)	(*)	75	(*)	5	0	2	68	0	25	(*)	0	(*)
Philippines	238	0	71	140	71	21	(*)	(*)	24	2	25	(*)	0	(*)
Singapore	421	0	355	133	(*)	(*)	5	11	45	0	1	(*)	0	(*)
South Korea	116	0	(*)	55	6	0	0	10	10	0	0	(*)	0	(*)
Taiwan	180	0	(*)	37	1	18	0	0	0	0	0	(*)	0	(*)
Thailand	592	1	(*)	17	3	3	0	0	0	0	0	(*)	0	(*)
Other	95	0	16	18	1	(*)	(*)	0	(*)	0	(*)	(*)	0	6
International	1,851		900											451
Memorandum—OPEC ²	2,885	20	1,868	255	48	69	11	(*)	18	(*)	49	179	1	64

* Less than \$500,000.

² Suppressed to avoid disclosure of data of individual companies.

¹ Based on the BEA survey taken in June 1982.

2. See footnote 5, table 1.

Note.—Estimates are for nonbank foreign affiliates of nonbank U.S. parents.

Table 4.—Capital Expenditures by Majority-Owned Foreign Affiliates of U.S. Companies in 1982¹

(Millions of dollars)

	All industries	Mining	Petroleum	Manufacturing								Trade	Finance (except bank- ing), insurance and real estate	Other industries
				Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metals	Machinery, except electrical	Electric and electronic equipment	Transportation equipment	Other manufacturing			
All countries	45,838	786	17,743	16,833	1,323	2,898	881	4,188	1,207	2,806	2,381	3,688	829	2,589
Developed countries	38,868	689	10,888	13,112	871	2,230	616	3,764	806	2,958	1,878	2,747	364	1,431
Canada	1,331	284	3,248	2,775	388	480	187	580	118	588	574	350	58	711
Europe	18,488	4	4,619	9,012	886	1,898	314	2,829	538	2,179	1,387	1,991	187	714
European Communities (10)	14,763	2	4,880	7,833	564	1,824	300	2,512	484	1,891	1,085	1,201	80	848
Belgium	454	(*)	44	271	22	184	8	30	36	27	44	118	(*)	22
Denmark	8	(*)	148	17	10	1	1	(*)	(*)	1	88	(*)	5	5
France	1,634	(*)	(*)	1,005	63	188	28	520	42	(*)	(*)	280	(*)	(*)
Germany	3,943	1	480	2,802	80	380	118	810	137	672	265	215	(*)	(*)
Greece	38	(*)	(*)	25	4	14	(*)	(*)	1	1	18	(*)	(*)	(*)
Ireland	197	(*)	38	139	9	30	2	85	8	5	42	80	5	4
Italy	928	0	119	835	35	91	24	380	43	28	88	186	(*)	48
Luxembourg	29	0	1	27	0	8	0	0	(*)	0	(*)	(*)	(*)	(*)
Netherlands	1,821	0	885	700	118	254	28	285	14	1	62	110	1	120
United Kingdom	6,882	1	2,760	2,605	222	454	98	850	170	(*)	(*)	216	71	280
Other Europe	3,885	2	1,539	1,879	41	284	15	118	54	788	71	680	66	88
Austria	287	0	33	187	2	2	4	(*)	4	(*)	(*)	70	(*)	(*)
Norway	1,489	0	1,385	37	0	2	(*)	(*)	(*)	(*)	6	6	(*)	(*)
Portugal	83	0	3	48	0	4	1	3	4	28	6	32	0	2
Spain	1,166	0	63	845	(*)	242	8	8	34	28	(*)	136	(*)	33
Sweden	250	0	28	142	6	25	1	(*)	8	(*)	2	78	(*)	4
Switzerland	339	0	18	53	(*)	6	1	6	(*)	(*)	26	187	(*)	(*)
Turkey	16	(*)	2	1	(*)	(*)	0	0	(*)	(*)	(*)	11	0	(*)
Other	76	0	80	9	0	(*)	(*)	0	1	0	8	47	(*)	(*)
Japan	642	0	98	642	9	87	3	(*)	68	(*)	14	115	7	2
Australia, New Zealand, and South Africa	3,288	370	233	888	88	115	88	(*)	31	(*)	128	381	80	44
Australia	1,762	346	667	488	42	82	18	37	24	(*)	(*)	220	(*)	(*)
New Zealand	31	(*)	(*)	25	0	0	0	0	0	(*)	(*)	17	(*)	(*)
South Africa	427	28	(*)	218	65	28	30	20	5	46	37	184	(*)	(*)
Developing countries	11,318	178	5,949	3,521	362	656	346	496	499	837	521	940	76	768
Latin America	5,248	136	1,417	2,844	288	687	326	340	142	807	445	687	58	324
South America	3,788	106	1,180	2,850	286	680	290	820	61	478	288	899	27	78
Argentina	412	4	134	248	28	88	4	54	3	38	(*)	80	(*)	7
Brazil	1,747	1	100	1,434	108	244	261	258	48	336	198	187	25	80
Chile	142	65	27	13	2	3	3	0	1	(*)	6	21	(*)	(*)
Colombia	523	2	430	64	13	31	(*)	(*)	2	2	28	21	1	5
Ecuador	48	0	22	14	3	5	1	0	2	0	0	10	0	(*)
Peru	419	32	380	15	2	7	2	2	1	(*)	4	30	(*)	(*)
Venezuela	420	0	60	226	41	55	4	1	4	(*)	(*)	118	(*)	11
Other	73	1	87	48	11	3	(*)	(*)	(*)	(*)	(*)	5	(*)	(*)
Central America	1,061	9	81	772	86	36	34	20	78	328	149	158	80	74
Mexico	928	2	10	745	86	31	38	20	73	328	144	140	2	34
Panama	43	2	4	2	2	0	0	0	0	0	0	4	18	18
Other	86	7	18	22	8	3	1	0	8	(*)	(*)	18	(*)	25
Other Western Hemisphere	398	22	255	24	9	5	1	0	3	0	8	13	11	74
Bahamas	45	1	13	2	1	1	0	0	0	0	0	1	2	28
Bermuda	14	0	1	(*)	0	0	0	0	0	0	0	1	2	10
Netherlands Antilles	37	(*)	(*)	(*)	(*)	(*)	(*)	0	0	0	0	2	2	(*)
Trinidad and Tobago	282	0	(*)	(*)	(*)	1	0	0	(*)	0	(*)	(*)	(*)	(*)
Other	182	20	21	15	(*)	3	1	0	3	0	(*)	5	(*)	88
Other Africa	1,891	26	1,268	84	17	12	(*)	(*)	4	(*)	(*)	26	3	17
Sahara	588	4	553	4	(*)	1	1	1	(*)	(*)	(*)	5	0	0
Egypt	288	4	375	0	0	0	0	0	(*)	(*)	(*)	3	0	5
Libya	127	0	185	(*)	0	0	0	0	(*)	(*)	(*)	(*)	0	(*)
Other	88	0	82	3	(*)	(*)	(*)	9	(*)	(*)	(*)	(*)	0	0
Sub-Saharan	1,804	22	1,208	50	17	11	(*)	(*)	6	(*)	(*)	18	11	11
Liberia	11	(*)	(*)	1	1	1	0	0	0	0	0	1	1	(*)
Nigeria	380	(*)	280	12	1	1	(*)	(*)	(*)	(*)	(*)	3	5	5
Other	890	(*)	925	28	15	(*)	(*)	0	6	(*)	(*)	8	1	(*)
Middle East	689	1	438	31	4	8	(*)	18	12	8	(*)	73	2	128
Israel	82	1	1	28	4	4	0	2	12	0	(*)	84	1	23
OPEC	540	1	389	3	1	(*)	(*)	7	0	0	(*)	35	(*)	87
Other	47	0	88	(*)	(*)	(*)	0	0	0	0	0	4	(*)	7
Other Asia and Pacific	3,514	14	2,318	888	61	132	10	56	242	38	88	138	18	481
Hong Kong	487	0	(*)	24	(*)	4	8	4	8	0	0	35	2	(*)
India	28	0	0	26	0	7	0	6	(*)	(*)	(*)	(*)	0	(*)
Indonesia	1,438	19	1,380	28	1	5	4	4	3	0	(*)	8	8	8
Malaysia	681	0	513	98	1	4	(*)	(*)	1	0	(*)	18	2	2
Philippines	188	0	75	38	30	17	(*)	(*)	28	0	(*)	18	0	(*)
Singapore	813	0	80	173	2	77	2	2	47	18	(*)	25	10	15
South Korea	81	0	(*)	40	3	3	0	0	7	0	(*)	0	0	(*)
Taiwan	102	0	3	70	4	2	0	0	44	0	(*)	28	0	(*)
Thailand	247	1	217	18	4	6	(*)	0	7	0	(*)	10	0	(*)
Other	45	0	(*)	13	3	8	(*)	0	(*)	0	(*)	1	(*)	(*)
International	1,468	0	1,116	0	0	0	0	0	0	0	0	0	0	360
Memorandum—OPEC ²	2,916	16	2,308	388	48	(*)	(*)	14	14	(*)	41	180	1	128

* Less than \$500,000.

² Suppressed to avoid disclosure of data of individual companies.

1. Based on the BEA survey taken in December 1982.

2. See footnote 5, table 1.

Note.—Estimates are for nonbank foreign affiliates of nonbank U.S. parents.

Table 5.—Capital Expenditures by Majority-Owned Foreign Affiliates of U.S. Companies in 1982¹

(Millions of dollars)

	All industries	Mining	Petroleum	Manufacturing								Trade	Finance (except bank, high insurance and real estate)	Other industries
				Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metals	Machinery, except electrical	Electrical and electronic equipment	Transportation equipment	Other manufacturing			
All countries	43,812	969	17,325	17,209	1,620	2,997	997	4,443	1,387	2,425	2,529	2,964	391	2,857
Developed countries	29,133	320	16,477	16,473	1,869	2,335	544	4,864	814	2,701	3,048	2,077	238	1,850
Canada	7,437	189	3,190	2,963	316	462	207	599	222	655	587	376	55	739
Europe	16,699	6	6,495	9,372	431	1,451	312	3,161	488	1,841	1,299	2,182	143	687
European Communities (10)	16,625	2	4,340	8,682	588	1,517	287	3,035	418	1,505	1,280	1,428	69	626
Belgium	668	(*)	54	267	14	135	11	23	36	(*)	(*)	125	1	19
Denmark	513	0	179	19	11	2	1	(*)	2	1	1	169	(*)	3
France	1,959	0	(*)	1,361	69	158	29	710	39	136	180	335	(*)	(*)
Germany	3,265	(*)	368	2,538	96	240	35	325	158	780	310	288	4	57
Greece	49	(*)	23	6	10	6	(*)	(*)	1	6	6	12	(*)	(*)
Ireland	297	(*)	31	165	7	44	4	(*)	4	53	24	3	3	4
Italy	1,077	0	105	785	42	78	20	(*)	38	31	128	(*)	(*)	55
Luxembourg	33	0	2	31	0	5	0	2	(*)	(*)	(*)	(*)	(*)	(*)
Netherlands	1,888	0	530	495	95	295	19	200	17	2	76	107	8	54
United Kingdom	6,759	1	2,483	2,698	247	518	117	680	112	(*)	(*)	319	58	300
Other Europe	3,381	5	1,555	311	51	134	25	116	78	335	79	254	75	61
Austria	172	0	23	71	5	6	4	2	4	(*)	(*)	68	(*)	(*)
Norway	1,540	4	1,438	28	0	3	(*)	(*)	(*)	1	(*)	60	(*)	(*)
Portugal	45	0	3	45	4	3	(*)	3	4	24	5	43	0	4
Spain	725	0	45	451	29	85	16	7	7	(*)	(*)	210	(*)	18
Sweden	244	0	18	145	(*)	20	2	(*)	6	2	3	78	(*)	7
Switzerland	378	0	10	63	(*)	2	2	(*)	8	8	32	220	(*)	(*)
Turkey	22	(*)	0	0	(*)	2	0	0	1	(*)	2	12	(*)	(*)
Other	92	0	15	8	0	(*)	(*)	0	(*)	0	(*)	64	(*)	(*)
Japan	773	0	129	643	9	70	4	(*)	73	(*)	37	81	8	3
Australia, New Zealand, and South Africa	2,048	193	673	684	119	182	21	(*)	31	(*)	124	435	32	32
Australia	1,067	172	699	490	53	107	11	32	23	138	95	222	32	22
New Zealand	75	(*)	(*)	27	3	5	0	(*)	(*)	(*)	5	23	(*)	(*)
South Africa	468	21	(*)	187	61	35	11	18	4	41	27	188	(*)	(*)
Developing countries	11,787	149	6,138	3,433	658	662	453	375	473	736	483	897	55	255
Latin America	6,191	143	1,330	2,924	371	528	437	320	179	678	434	575	41	344
South America	3,266	74	1,108	2,293	278	425	413	395	95	435	311	430	12	68
Argentina	485	4	124	263	61	42	7	(*)	8	66	(*)	85	(*)	9
Brazil	1,562	(*)	(*)	1,558	119	232	(*)	262	78	308	(*)	165	3	27
Chile	107	48	18	13	3	4	1	0	1	4	4	15	(*)	14
Colombia	602	1	432	73	21	28	2	(*)	1	1	(*)	25	(*)	(*)
Ecuador	48	0	28	11	2	3	1	0	2	0	3	8	(*)	(*)
Peru	361	11	(*)	11	4	9	1	1	1	2	2	2	(*)	2
Venezuela	390	0	37	188	57	50	5	(*)	5	18	18	145	(*)	10
Other	73	(*)	18	47	10	3	(*)	(*)	(*)	1	(*)	(*)	(*)	(*)
Central America	887	7	12	650	90	98	23	14	72	243	110	135	15	67
Mexico	775	1	4	619	78	92	21	14	47	243	104	112	1	39
Panama	32	0	2	5	2	0	0	0	0	0	1	6	15	4
Other	80	0	6	96	10	4	2	0	5	(*)	5	17	(*)	24
Other Western Hemisphere	348	22	208	16	3	5	1	0	4	0	0	11	13	78
Bahamas	53	1	12	3	1	0	0	0	0	0	0	1	2	24
Bermuda	17	0	(*)	(*)	0	0	0	0	0	0	(*)	(*)	5	(*)
Netherlands Antilles	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	0	0	0	1	1	1
Trinidad and Tobago	141	0	134	3	1	0	0	0	(*)	0	0	(*)	(*)	(*)
Other	(*)	21	8	10	3	3	1	0	4	0	1	4	5	(*)
Other Africa	1,718	20	1,558	97	27	29	3	(*)	8	(*)	(*)	27	3	10
Sahara	605	5	582	82	1	2	(*)	(*)	1	1	13	0	0	3
Egypt	407	5	381	(*)	0	1	0	0	0	(*)	0	10	0	(*)
Libya	119	0	119	(*)	0	0	0	0	0	0	0	(*)	0	(*)
Other	79	0	72	(*)	1	1	(*)	(*)	(*)	0	0	2	0	(*)
Sub-Saharan	1,110	15	1,005	64	20	18	(*)	(*)	0	(*)	(*)	14	3	7
Liberia	11	1	(*)	1	1	0	0	0	0	0	0	1	1	5
Nigeria	267	(*)	235	21	1	1	(*)	(*)	3	0	(*)	(*)	(*)	(*)
Other	832	(*)	771	48	24	(*)	(*)	0	4	2	2	8	1	(*)
Middle East	532	(*)	427	29	5	6	(*)	11	3	0	(*)	33	1	32
Israel	86	0	1	16	4	5	0	2	2	0	(*)	41	1	25
OPEC	511	(*)	405	19	1	(*)	(*)	0	0	0	(*)	36	(*)	68
Other	33	0	21	1	(*)	(*)	0	(*)	0	0	0	6	(*)	5
Other Asia and Pacific	4,245	25	2,882	589	47	108	3	47	288	(*)	(*)	201	10	548
Hong Kong	638	0	38	38	(*)	7	4	10	11	6	6	41	2	(*)
India	38	0	38	0	0	12	0	3	0	0	0	(*)	0	(*)
Indonesia	1,754	25	1,875	19	1	4	1	1	0	0	0	14	(*)	21
Malaysia	744	(*)	617	108	(*)	8	8	(*)	(*)	(*)	(*)	17	(*)	2
Philippines	181	0	47	103	30	27	(*)	(*)	3	3	8	(*)	(*)	(*)
Singapore	201	0	52	119	(*)	37	2	2	0	0	0	26	0	4
South Korea	83	0	(*)	39	1	0	0	0	0	0	0	(*)	0	(*)
Taiwan	121	0	3	83	3	2	0	0	5	5	0	35	0	1
Thailand	381	(*)	334	39	7	4	4	0	15	0	0	16	(*)	1
Other	127	0	188	13	4	8	(*)	0	1	0	(*)	1	(*)	5
International	892		520											342
Memoranda—OPEC ²	3,169	(*)	2,976	248	52	(*)	0	(*)	(*)	(*)	27	232	1	(*)

¹ Less than \$500,000.

² Suppressed to avoid disclosure of data of individual companies.

1. Based on the BEA survey taken in December 1982.

2. See footnote 5, table 1.

Note.—Estimates are for nonbank foreign affiliates of nonbank U.S. parents.

year reflected spending on several upstream and downstream projects.

In the North Sea area, British affiliates plan to cut spending 7 percent, to \$3.5 billion, after a 9-percent decline. This year's spending partly reflects the oil companies' response to falling oil prices and a smaller-than-expected decline in taxation on North Sea operations. Norwegian affiliates plan an increase of 4 percent, to \$1.4 billion, following a 15-percent increase. This year's increase—the smallest in a decade—reflects a slowdown in the pace of development of some offshore oilfields and gasfields.

In developing countries, affiliates plan a 4-percent increase, to \$6.2 billion, following an 18-percent increase last year. The largest increase this year is in "other Asia and Pacific," mostly in Indonesia and Malaysia; it is for continued development of offshore oilfields and gasfields. Partly offsetting is a decline in "other Africa," largely in Cameroon, which reflects a slowdown in oilfield development.

Affiliates in "international" plan to cut their spending about in half, to \$0.6 billion, after a 24-percent increase last year. Reduced spending for both tankers and offshore drilling platforms is planned.

Manufacturing

Manufacturing affiliates plan a 3-percent increase in spending, to \$17.2 billion, after a decline of 13 percent. Although all industries except transportation equipment plan increases, affiliates in nonelectrical machinery, especially computer manufacturers, plan a particularly large increase.

In transportation equipment, a 10-percent decline in spending, to \$8.4

billion, follows a 27-percent decline. Beginning in the late 1970's, affiliates in this industry undertook massive new programs involving construction of assembly and parts production facilities for "world cars." Consequently, these affiliates' expenditures increased from an average of 6.7 percent of total expenditures in 1970-78, to 9.7 percent in 1979-83. Their expenditures rose from an average of \$1.2 billion in 1970-78 to \$3.9 billion in 1979-83. The declines in spending planned in 1982 and 1983 largely result from the completion of some new facilities and the deferral of nonessential spending due to the current weak worldwide demand for autos.

In developed countries, manufacturing affiliates plan a 4-percent increase in spending, to \$13.6 billion, following a 15-percent decline in 1982. Canadian affiliates plan a 6-percent increase, to \$3.0 billion, after a 27-percent decline. The largest increase is in transportation equipment; it reflects increased spending on a new van and bus manufacturing facility.

In Europe, spending increases of 35 percent by French affiliates, to \$1.4 billion, and 4 percent by British affiliates, to \$2.6 billion, are centered in nonelectrical machinery; they largely reflect increased capitalization of computers for rental. French manufacturers recently sharply cut back their 1982, but not 1983, spending plans. German affiliates plan a 10-percent increase, to \$2.5 billion; a small decline in primary and fabricated metals is more than offset by increases in every other manufacturing industry. In "other Europe," affiliates plan to cut spending over two-fifths, to \$0.8 billion. The cut is almost en-

tirely due to the completion of transportation equipment manufacturing facilities in Spain and Austria in 1982.

In developing countries, affiliates plan a 3-percent spending rise, to \$3.6 billion, after a 6-percent decline last year. The largest rise is in Brazil; it reflects expansion by a bauxite mining and aluminum manufacturing affiliate. Partly offsetting is a decline in Mexico, where spending for a new engine manufacturing plant was higher in 1982 than in 1983.

Other industries

Mining affiliates plan to cut spending 33 percent, to \$0.6 billion, after a slightly larger cut last year. The cuts in both years are centered in Australia, mostly in bauxite mining, and in Canada, mostly in coal mining last year and potash mining this year. In part, they reflect the completion of some smelter renovation and expansion projects and the deferral of others because of depressed mineral demand.

Trade affiliates plan an 11-percent increase this year, to \$4.0 billion. The increase, which is widespread among areas, is mostly by affiliates that market computers.

Spending by affiliates in finance (except banking), insurance, and real estate is to remain at \$0.8 billion in 1983; small changes among several countries are offsetting.

Affiliates in "other industries"—agriculture, construction, transportation, communication, public utilities, and other services—plan a 3-percent increase, to \$2.7 billion. The increase is centered in Hong Kong and is largely for electric powerplant construction.